



CALPEEK

CALIFORNIA POLITICAL WEEK

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CAMPAIGN '98: INSURANCE COMMISSIONER RACE

Editor's note: This week **Calpeek** begins a series of reports on down ballot Statewide races. This week we will focus on the battle for Insurance Commissioner.

Here's our brief report & analysis...

...Over the X-Mas holidays the tv airways were flooded with ads featuring Insurance Commissioner Chuck Quackenbush(R). These ads were **not** paid for by his campaign, but rather by the State of Calif. Quackenbush says the ads were "authorized" as consumer outreach. The ads cost \$1 million...

...The so-called "consumer ads" marked the kickoff of Quackenbush's 1998 reelection campaign, where he is considered the favorite to win a 2nd term. In addition to the ads, Quackenbush made ink by jumping on a very hot topic: *the Holocaust*, where some WWII insurance claims have gone unpaid. But Quackenbush has been hit hard for his department's handling of the Calif. Earthquake Authority, which provides earthquake insurance. It's been a disaster...

...As for the Demos, Marin Co. Sup. Hal Brown has announced his candidacy. He is first cousin to former Gov. Jerry & former Treasurer Kathleen Brown. And Demo Assemblywoman Diane Martinez of L.A. is expected to formally announce at any time. The other Demo looking at the race is Prop. 103 author and consumer advocate Harvey Rosenfield. Odds of Rosenfield running are about 50/50. Sources say he's the best qualified, but he doesn't have the resources...

...Except for the Bay Area, where he's been on the Bd. of Supes for 16 years, Brown is a total unknown. He's an independent insurance agent, so he knows the technical requirements. Sources say Brown will accept contributions from insurance firms. That might not sit

well with some, but in the last 4 years Quackenbush has taken \$6.1 million from insurance companies. Sources say Brown must stay relatively close to Quackenbush in fundraising to have a shot...

...In terms of issues, auto insurance *isn't* the sexy issue it was when 103 was approved in 1988. The sexy issue today in Calif. is managed health care (HMO reform). HMOs are currently regulated by the Dept. of Corporations, but Brown says HMOs should be under the jurisdiction of the Insurance Commissioner...

...FYI: Brown's reaction to Martinez's entry: "She's totally unqualified to be the Demo standard-bearer for IC." His 1/27 news release gets really nasty because Brown quotes from a recent *L.A. Weekly* article which described Martinez this way: "*Martinez is one of the low-grade disgraces of Calif. politics, a shallow, abusive, foul-mouthed embarrassment of an Assembly member.*" Oh what a fun primary. Stay tuned...

CAMPAIGN '98: CHECCHI MUCH MORE CONFIDENT AFTER 9 MONTHS OF CAMPAIGNING, BUT IT'S STILL AN UPHILL FIGHT

Editor's note: Deep pocketed Demo businessman Al Checchi has been campaigning for governor for 9 months. A recent poll showed that since he began spending millions on a tv ad blitz his numbers have jumped from 1-2% back in December to 14% now. Here's our update & analysis...

...Checchi delivered his first major speech last spring to *Town Hall* in L.A. and as opposed to that first outing, he now seems very comfortable and even confident when discussing issues of importance to Calif. voters. He hasn't mastered the whole thing, but he's about 80% there at this point. More important, unlike his Demo primary rival, Lt. Gov. Gray Davis, Checchi doesn't have to spend hours every day dialing for dollars be-

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cause he's dumping in \$30 million of his own into this campaign. But make no mistake, Checchi is playing catch up because he's still unknown to most voters...

...As for Checchi's outlook, it's optimistic -- mainly because U.S. Sen. Dianne Feinstein is no longer a potential primary rival. On and off the record, the Checchi spin is that they thought they could win the primary, even with DiFi in the race. That may be wishful thinking. Whatever the case, the *campaign game plan* that was in the works prior to DiFi's announcement still seems to be on the table: in addition to Demo voters, aim for cross-over GOPers & independents. In other words: go for the center...

...And to that end, Checchi's recent law & order speech on Jan. 24th was targeted at both Demos and Republicans. For Demos, Checchi's key points were: 1) blast the NRA leadership and promise to sign bills to banning Saturday night special cheap handguns and assault weapons, plus some other gun related issues; 2) and Checchi's line about *failing schools are a breeding grounds for lawlessness* should hit the mark for most voters, regardless of political persuasion...

...For the moderates (and independent voters as well as GOPers) Checchi's main points were: 1) to expand the death penalty to serial rapists & repeat child molesters; 2) put another 10,000 cops on the street for community policing; 3) add more shelters for battered women; and 4) crack down on gangs by doubling the budget for juvenile crime prevention. Checchi wasn't very specific about costs or how to pay for some of these things...

...FYI: Some Demo insiders think Checchi has an solid chance to overtake and then pass Davis. What could stop Checchi? If L.A. Mayor Richard Riordan(R) were to jump into this race, as suggested in a Jan. 28th *L.A. Times* story, Checchi would be in trouble because both would be aiming for the same bloc of voters...

...But both Checchi and Davis have bigger problems if Demo U.S. Rep. Jane Harman of Torrance jumps into the race. The *L.A. Times* reports that Harman is now looking. She's one of the 50 richest members of Congress, so money's no problem. She's a moderate and is an appealing campaigner. No word on Leon Panetta as yet, but insiders think the Lewinsky mess in DC will keep him out. Stay tuned...

GRAY DAVIS TO ADDRESS COMMONWEALTH CLUB.
CA Lt. Gov. Gray Davis(D) will address the Commonwealth Club of CA, 5:30 p.m., Feb. 10th at the club offices in S.F. Davis will discuss education. For info ☎(415)596-6705...

CAMPAIGN '98: CALIF. STATE SENATE RACES.

Editor's note: This week *Calpeek* begins its coverage of Calif. Legislative races with an *overview* of the battle for control of the *State Senate*. Next week we'll focus on the Assembly. Here's our report & analysis...

...The current lineup in the Senate is **22 Demos, 17 Republicans and 1 independent** (Quentin Kopp of S.F.). Every two years one half of the senate is up for election. In *Campaign '98* it's the even numbered seats. And for perhaps the first time in a very long time, the Demos will be *up against the wall*. Of the 20 seats that are up, 13 are currently in Demo hands vs. 6 for the Republicans. Kopp's seat is also up and former Assemblywoman Jackie Speier(D-San Mateo) is a *slam dunk* to win this seat. It's the one bright spot for Demos, as they have twice as many seats to defend as the Republicans...

☒ ***Open Seat Battles*** - 3 of the 5 open seats in '98 are currently held by Demos: Ayala (32nd SD), Greene (6th SD) and Thompson (2nd SD). Sources say the Demos will have to fight very hard to keep these seats. It's not an impossible task, but the going will be rough and costly. To keep control of the CA Senate, Demos ***must hold*** at least 1 of these 3 seats and not lose any others. In the 32nd SD, Demos will go with Assemblyman Joe Baca; in the 6th SD, Demos will bank on Assemblywoman Debra Ortiz; and in the 2nd SD, Demos have cleared the field for former Humboldt Co. Sup. Wesley Chesbro. In the 6th SD, Ortiz may end up facing Mrs. Quackenbush(Chris), while in the 2nd SD, Chesbro will go against *deep pocketed* businessman John Jordan. FYI: the two other open seats (14th SD & 38th SD) are in safe Republican areas, but there will be a primary **war** for Ken Maddy's 14th SD between Assemblymen Chuck Poochigian of Fresno & Roy Ashburn of Bakersfield...

☒ ***Safe Seats*** - There are 7 safe seats on the Demo side and 4 on the Republican side. The safe Demos seats are currently held by Watson, Solis, Rosenthal, Polanco, Lockyer, Dills & Calderon. There will be major Demo primary fights in the 26th SD (Watson)

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and the 20th SD (Rosenthal). The safe GOP seats are currently held by Craven, Haynes, Johannessen and Maddy...

☒ **Calpeek's Watch List** - Demo incumbents Steve Peace of La Mesa and Jack O'Connell of Santa Barbara are safe for now, but we'll keep a close watch. Ditto with Jim Costa of Fresno. On the GOP side, Demos plan to *target* Dick Monteith of Modesto, but there's a good chance of a Demo civil war, as former Assemblyman Sal Cannella will have to get past a candidate loyal to U.S. Rep. Gary Condit. The other race to watch on the GOP side is Leader Rob Hurtt of Garden Grove. Sources say Demos plan to target Hurtt. Stay tuned...

CAMPAIGN '98: CITY AND COUNTY ELECTIONS.

Editor's note: Here is another update on local elections. This week we'll focus on San Bernardino and Oakland...

☒ **San Bernardino** - The mayor's race on Feb. 3rd pits educator Judith Valles against attorney Tim Prince. Retiring Mayor Tom Minor is neutral in this contest. In the November primary Valles got 30% to finish first, while Prince got 23%. The #3 finisher, Councilman Dave Oberhelman, has endorsed Valles. She's also got the support of the various public employee unions, as well as an editorial endorsement from the *Sun*, the daily newspaper. In fundraising, both are close: \$69,000 for Valles in the last report vs. \$65,000 for Prince. Both have done absentee voter mailers in an effort to boost the turnout, which will probably be pretty low. The most exciting thing to happen since the primary was Christmas. Both sides agree that there has been little news media interest. A slight edge for Valles, but it really depends on who shows up to vote...

☒ **Oakland** - Former Gov. Jerry Brown continues to trip all over his feet when it comes to local issues, but sources say he's still the frontrunner in a large field of candidates seeking to replace two-term Mayor Elihu Harris. The primary will be June 2nd. In the **2nd tier** are Alameda Co. Sup. Mary King and Oakland Councilman Ignacio de la Fuente. King hired consultant Richie Ross, while Ignacio retained consultant Gale Kaufman. In the **3rd tier** there are 5 candidates: businesswoman Audrey Rice Oliver; former CofC president Ces Butner; NAACP president Shannon

Reeves; urban planner Ed Blakely; and former Councilman Leo Bazile...

...Reeves is a GOper, who connects well with the business community, but probably has to split that support with Oliver and Butner. Reeves has hired consultant Ron Smith; Oliver has hired Staton Hughes & Shafer; and Butner has hired Bill Berry. Blakely has hired the Lew Edwards Group...

...FYI: If any of the 3rd tier candidates are successful in raising a warchest, they could break into the 2nd tier and challenge King or Igancio. A key problem for both King and Ignacio: the Raider football deal. In fact, the whole issue is back on the front burner because L.A. Councilman Nate Holden is saying the Raiders want to come back to L.A. Stay tuned...

CA INITIATIVE UPDATE: NEW BALLOT MEASURES.

Editor's note: Here's another brief summary of the new initiatives which have been given the green light to collect signatures...

◆ **Sales and Use Taxes. Retailers. Initiative Statute** is the official title of this measure by Robert Page of Roseville ☎(916) 783-2940. Page's plan allows retailers to hold 10% of the taxes they collect --- compensation for their collection and remittance. Cost to the State: \$2.1 billion. Page has until June 11th to collect 433,269 signatures...

◆ **School District Budgeting. Administrative Costs. Initiative Statute** is the official title of this measure by John Strempel of S.F. ☎(415)982-7100. Strempel calls his measure the *Calif. Educational Efficiency Act* and it would allow a school district to spend above 5% on administrative costs. Strempel has until June 25th to collect 433,269 signatures...

CALPEEK'S CALENDAR OF POLITICAL EVENTS

Jan. 26-Feb. 4	Candidates Declaration of Intent.
Feb. 2	Candidates campaign reports are due.
Feb. 3	Runoff election, Mayor of San Bernardino.
Feb. 4	U.S. Rep. Jay Kim to be sentenced.
Feb. 20-22	Calif. Republican Party convention, Burlingame Hyatt Hotel.
Feb. 24	DLC Legislative Conf., Sacramento.
Mar. 1	Calif. minimum wage goes to \$5.75.
Mar. 10	22nd CD runoff election.
Mar. 20-22	Calif. Demo Party convention, Bonaventure Hotel, L.A.
Mar. 23	Candidate campaign reports are due.
Apr. 3-13	CA Legislative Easter recess.
Apr. 8	Calif. AFL-CIO Endorsing conference, S.F.
Apr. 14	Long Beach muni elections.

